

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Northern District of California

In re Kingsway Capital Partners, LLC,
DebtorCase No. 14-31532

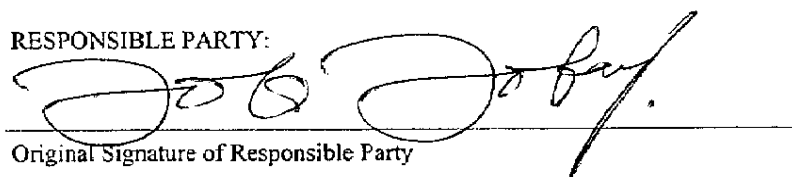
Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: December, 2014Date filed: 01/20/2014Line of Business: Automobile RentalsReal Estate Investments ServicesNAISC Code: 532111

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Nathaniel Sobayo

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

2013 Tax
Return Not
Filed Per IRS
Auditor
Instructions

Non-DIP
Account
Closed On
12/9/14

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14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? ☐ ☒
15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? ☐ ☒
16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? ☐ ☒
17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? ☐ ☒
18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? ☒ ☐

Yes, DE
Franchise
Taxes -
Necessary To
Operation Of
Debtor - May
File Motion To
Approve
Retroactively

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? ☐ ☒

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 18,201.99

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 8,900.00

Cash on Hand at End of Month \$ 10,084.82

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 10,084.82

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 17,017.17

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 18,201.99

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 17,017.17

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 1,184.82

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UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

Rent - \$3,500.00

TOTAL PAYABLES \$ 3,500.00*(Exhibit D)***MONEY OWED TO YOU**

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL RECEIVABLES \$ _____*(Exhibit E)***BANKING INFORMATION**

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

*(Exhibit F)***EMPLOYEES**

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 0
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 0

PROFESSIONAL FEES***BANKRUPTCY RELATED:***

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

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PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ 10,000.00	\$ 18,201.99	\$ 8,201.99
EXPENSES	\$ 5,000.00	\$ 17,017.17	\$ 12,017.17
CASH PROFIT	\$ 5,000.00	\$ 1,184.82	\$ -3,815.18

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ 15,000.00
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ 12,000.00
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ 3,000.00

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

Additional Information - Kingsway Capital Partners, LLC temporarily took over the business of Happy Days Security Services due to the hospitalization of the owner. Happy Days Security Services has payroll of approximately \$13,000 which was paid out of the DIP account due to the agreement that Kingsway Capital Partners would run the business of Happy Days Security Services.

Wells Fargo Combined Statement of Accounts

Primary account number: [REDACTED] ■ December 5, 2014 - December 31, 2014 ■ Page 1 of 5



KINGSWAY CAPITAL PARTNERS LLC
DEBTOR IN POSSESSION
CH 11 CASE #14-31532 (NCA)
2148 UNIVERSITY AVE
EAST PALO ALTO CA 94303-1714

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (114)

P.O. Box 6995

Portland, OR 97228-8995

Your Business and Wells Fargo

Don't forget to notify us of your business travel plans to help avoid issues when using your Wells Fargo cards while traveling. It's easy to notify us online at wellsfargo.com/travelplan, through the Wells Fargo mobile app, or by calling the phone number on the back of your card.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking ☒
Online Statements ☒
Business Bill Pay ☒
Business Spending Report ☒
Overdraft Protection ☒

Summary of accounts

Checking/Prepaid and Savings

Account	Page	Account number	Ending balance last statement	Ending balance this statement
Gold Business Services Package	2	[REDACTED]	0.00	10,084.82
Business Market Rate Savings	4	[REDACTED]	0.00	100.00
Total deposit accounts			\$0.00	\$10,184.82

(114)
Sheet Seq = 0111192
Sheet 00001 of 00003

Primary account number: [REDACTED] ■ December 5, 2014 - December 31, 2014 ■ Page 2 of 5



Gold Business Services Package

Activity summary

Beginning balance on 12/5	\$0.00
Deposits/Credits	27,101.99
Withdrawals/Debits	- 17,017.17
Ending balance on 12/31	\$10,084.82
Average ledger balance this period	\$11,149.64

Account number: [REDACTED]

KINGSWAY CAPITAL PARTNERS LLC
DEBTOR IN POSSESSION
CH 11 CASE #14-31532 (NCA)

California account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 121042882

For Wire Transfers use

Routing Number (RTN): 121000248

Overdraft Protection

Your account is linked to the following for Overdraft Protection:

- Savings - [REDACTED]

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/5		Checking Opening Deposit	8,900.00		8,900.00
12/8		Deposit Made In A Branch/Store	2,500.00		11,400.00
12/10		Check		100.00	11,300.00
12/15		Deposit Made In A Branch/Store	10,818.90		22,093.27
12/15		Purchase authorized on 12/14 Dollar Tree Stores 588 Sunnyvale CA P0000000257057772 Card 1913		25.63	
12/17		Purchase authorized on 12/15 Sunnyvale Valero Sunnyvale CA S464349530798895 Card 1913		47.38	
12/17		AFLAC Insurance 121514 Hhk42265345 Kingsway Capital Partn		342.16	
12/17		ATT Payment 121514 411831004Evr1D Nathaniel Basola Sobay		492.04	
12/17		Check		498.46	20,715.21
12/18		Deposit Made In A Branch/Store	1,442.83		
12/18		Purchase authorized on 12/17 Pamf CA 701 E El C Mountain View CA S484352087800846 Card 1913		500.00	
12/18		Withdrawal Made In A Branch/Store		13,010.00	8,848.04
12/19		Deposit	440.26		9,288.30
12/22		Purchase authorized on 12/20 Costco Whse #01 Mountain View CA P0000000959180050 Card 1913		189.01	9,099.29
12/24		Purchase authorized on 12/23 Office Depot 00 US #10 E Palo Alto CA P00304358157538767 Card 1913		68.26	9,011.03
12/26		Purchase authorized on 12/26 USPS 0559020190 Palo Alto CA P00000000656148368 Card 1913		27.45	8,983.58
12/29		Deposit Made In A Branch/Store	3,000.00		
12/29		Purchase authorized on 12/25 Ledu Restaurant Pacifica CA S004359697418035 Card 1913		23.50	
12/29		Purchase authorized on 12/26 Fedex Office 0005 Mountain View CA S464360665940498 Card 1913		41.76	
12/29		Check		1,833.50	10,084.82
Ending balance on 12/31					10,084.82
Totals			\$27,101.99	\$17,017.17	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Primary account number: [REDACTED] ■ December 5, 2014 - December 31, 2014 ■ Page 3 of 5



Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
	12/10	100.00		12/17	496.48		12/29	1,833.50

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feetaq to find answers to common questions about the monthly service fee on your account.

Fee period 12/05/2014 - 12/31/2014

Standard monthly service fee \$14.00

You paid \$0.00

Your fee waiver is about to expire. You will need to meet the requirement(s) to avoid the monthly service fee.

How to avoid the monthly service fee (complete 1 AND 2)

Minimum required

This fee period

1) Have any ONE of the following account requirements

- Average ledger balance \$7,500.00
- Qualifying transaction from a linked Wells Fargo Business Payroll Services account 1
- Qualifying transaction from a linked Wells Fargo Merchant Services account 1
- Automatic transfer to an eligible Wells Fargo business savings account \$150.00
- Linked Direct Pay Service through Wells Fargo Business Online 1
- Combined balances in linked accounts, which may include \$10,000.00
- Average ledger balances in business checking, savings, and time accounts
- Most recent statement balance of business credit card, Wells Fargo Secured Credit Card, BusinessLine® line of credit, Secured BusinessLine® line of credit, Wells Fargo Express Equity® line of credit, and Wells Fargo BusinessLoan® term loan
- Combined average daily balances from the previous month for Business PrimeLoan™, Wells Fargo Express Equity® loan, Wells Fargo Express Refi® loan, Wells Fargo Purchase Advantage™ loan, Wells Fargo Small Business Advantage® line of credit, Equipment Express® loan, and Equipment Express® Single Even® loan

2) Complete the package requirements

- Have qualifying linked accounts or services in separate categories* 3

*Includes Wells Fargo business accounts and services such as debit card, savings accounts, active Online Banking, credit card, loans and lines of credit.
c2c2

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	400	7,500	0	0.0030	0.00
Transactions	19	200	0	0.50	0.00
Total service charges					\$0.00

Important Account Information

Thank you for opening your Wells Fargo Business Services Package account. In order to ensure you are satisfied with your account, Wells Fargo will be waiving the Monthly Service Fee for the first 90 days to allow you to meet your package requirements. To learn how you can continue to waive the Monthly Service Fee following the 90 day grace period, consult your Fee and Information Schedule, contact your banker or call the National Business Banking Center at the number located on the top of your statement.

Primary account number: [REDACTED] ■ December 5, 2014 - December 31, 2014 ■ Page 4 of 5



Business Market Rate Savings

Activity summary

Beginning balance on 12/5	\$0.00
Deposits/Credits	100.00
Withdrawals/Debits	- 0.00
Ending balance on 12/31	\$100.00
Average ledger balance this period	\$100.00

Account number: [REDACTED]

KINGSWAY CAPITAL PARTNERS LLC
DEBTOR IN POSSESSION
CH 11 CASE #14-31532 (NCA)

California account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 121042882

For Wire Transfers use

Routing Number (RTN): 121000248

Interest summary

Interest paid this statement	\$0.00
Average collected balance	\$85.33
Annual percentage yield earned	0.00%
Interest earned this statement period	\$0.00
Interest paid this year	\$0.00

Transaction history

Date	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/5	Savings Opening Deposit	100.00		100.00
	Ending balance on 12/31			100.00
	Totals	\$100.00	\$0.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 12/05/2014 - 12/31/2014

Standard monthly service fee \$8.00

You paid \$0.00

The bank has waived the fee for this fee period. For the next fee period, you need to meet the requirement(s) to avoid the monthly service fee.

How to avoid the monthly service fee

Have any ONE of the following account requirements

- Average collected balance
- Automatic transfer from an eligible Wells Fargo business checking account

Minimum required

This fee period

\$500.00

\$85.00 ☐

\$100.00

\$0.00 ☐

VCRC



You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

\$.

[illegible]